

NATICK GREEN CONDOMINIUM TRUST
MINUTES OF THE 15TH ANNUAL MEETING OF UNIT OWNERS
Thursday, September 20, 2001

AGENDA:

Unit owners registered upon arrival at 7:00 pm and enjoyed hot and cold hors d'oeuvres catered by Creative Entertaining.

- I. The Meeting was called to order at 7:15pm by Bernadette Drum, Chairperson**
Bernadette opened the meeting with a plea for unit owners to make recommendations as to how they felt that we could come together as a community to do something meaningful in response to the recent tragic world events. It was recommended to coordinate a fund drive to be donated to those families of TJX, a local company who lost seven of its employees. There are numerous Natick Green residents who are employed at TJX and have been personally affected by losing their coworkers and friends. It was further agreed that Natick Green Condominium would match the total contribution up to a maximum of \$500.00. **If you are interested in making a donation, please make a check payable to: TJX Family Memorial Trust Fund and drop it off in the mail slot to the left of the Office door or mail to: Natick Green, 7 Silver Hill, Natick, MA 01760.**
- II. Introduction of the present Natick Green Board of Trustees:**
Bernadette Drum, Chairperson
Susan Peters, Vice Chairperson
Elliot Schwartz, Treasurer
Evelyn Wilcon, Secretary
- III. Certification of proper notification of the meeting**
Bernadette announced that invitations to the annual meeting were mailed to all owners of Natick Green condominiums as of September 20, 2001.
- IV. Certification of Quorum**
Bernadette announced that we successfully achieved quorum with a total of 72.2033% of unit owners' percentage either represented by unit owners in attendance or via proxy statement.
- V. A review of the past year's business presented by Bernadette Drum**
 - A. Sales and Rental Markets**
One of the highlights of the past year is the active sales and rental markets which have been at an all time high. We had 35 condominiums sell since last year's annual meeting resulting in an increase in our owner occupancy percentage now totaling 60%. Our waiting list for rentals remains long. The most recent rates are as follows:

Sale Prices

| | |
|---------|---------------------|
| 1B/R | \$145,000-\$149,000 |
| 2B/R 1B | \$179,000 |
| 2B/R 2B | \$199,500 |

Rental Rates

| | |
|---------|-----------------|
| 1B/R | \$1,025-\$1,050 |
| 2B/R1B | \$1,200 |
| 2B/R2B | \$1,300-\$1,500 |
| 2B/R TH | \$1,500 |

B. Administrative decisions

1. Satellite Dish Resolution was updated in order to reflect recent changes in the telecommunications industry and the FCC.
2. The Board revised the Rules and Regulations for Natick Green that went into effect March 8, 2001.
3. Several Rule violations during the course of the year were addressed such as: window treatments, no pet policy, hardwood floor installations which violate our Rule that states that carpeted areas must remain carpeted on second and third floor condominiums due to noise reduction.
4. Parking: We once again reviewed the parking procedures on the property and the problem with guests parking in resident only parking spaces. Since most of the violations occur late at night when the office is closed, we elected to distribute the name and telephone number of our towing company to all residents so that each resident may call to request a trespass tow. The towing company is Smitty's Towing and they may be reached at (508) 875-4222.
5. Lock outs: Due to security concerns, we announced the discontinuance of our maintenance personnel responding to lock outs during non business hours.
6. Tennis Court Usage: A request was made to allow the courts to be used for other purposes. We researched this and decided to maintain its usage for tennis only, mainly due to liability reasons and the expense and maintenance considerations of the courts.

C. Property Insurance

When our umbrella policy came up for renewal we requested that our insurance agent, Knapp Schenck & Co. place it out to bid. They provided us with five bids and we chose the TIG Insurance Co. Although we have a master property insurance policy, it is urgent for unit owners to purchase their own property insurance. Some of the coverage you want to consider are: building coverage with a lower deductible than the master policy which is \$2,500, interior liability coverage, loss of use coverage, loss of rent coverage, and personal contents coverage.

D. Legal issues

We dealt with collection attempts on a couple of delinquent accounts. One of which almost resulted in the Association foreclosing on a condo. Since the balance was finally paid in full the day before the auction, it was cancelled. We have worked with the local Board of Health that led to its condemnation. We entered into a second lawsuit involving the unsatisfactory condition of the condo. that was recently granted on Monday which allows the Association to clean it up and charge the expense to the unit owner. Our interest is in maintaining a healthy and safe environment for our residents and in maintaining the value of the condominiums.

E. Newfield Drive

The topic of Newfield Drive has been discussed for the past several years. Newfield Drive which is the street that runs from Rte 135 through all four Properties, Natick Village, Kendall Crossing, Natick Green and Deerfield Forest and turns into H.F. Brown Way down by gold's Gym was never accepted by the Town of Natick as a public way. We as a Board have been striving for its acceptance, even more so the past couple of years due to its pavement deterioration. We have patched the potholes within our section of the road the best we have been able. The ability to repave only to the centerline of the roadway is absurd. We believe that the developer met the town's criteria in its construction to have it accepted as a town road but for whatever reason, the town never accepted it. After hiring two separate attorneys in the past, it was determined that each of the four properties own to the centerline of the road within that property's boundaries. This past year we held a collaborative meeting with our neighboring properties, Natick Village, Kendall Crossing and Deerfield Forest to discuss the matter. We jointly wrote a letter to the Town expressing our collective concerns and desire to have it accepted. We also instructed our present Attorney, Ellen Shapiro to write a letter to the Town once again requesting their assistance and invited them to meet with all of us to discuss this matter. The letter was copied to Town Counsel, John Flynn, our State Representative, David Linsky and State Senator, David Magnani. We will continue to attempt to work with our neighbors in this endeavor.

F. Lifeguard Shortage

We suffered a little bit this year due to a lifeguard shortage. The pool did have to close a couple of days and had limited hours of use on others due to this shortage. We had two lifeguards quit with no notice, which worsened the situation. If any of you know anyone who might be interested in life guarding next summer, please inform Nancy Mandino, Property Manager.

G. Social Subcommittee

After last year's annual meeting, a social subcommittee was formed to provide a sense of community to our residents. Susan Peters is the Chairperson of this committee so she later provided an overview of past and future events.

VI. Physical Property Report, Susan Peters, Vice Chairperson

A. Social Subcommittee Update

The Social Subcommittee held a variety of resident events including game and movie nights, a Holiday Party, and Cook out on the Green. Future events planned include a possible Halloween activity and Holiday Party.

B. Roof Replacement

We entered into a contract with J.T. Haffey Home Improvement Co. in 1997 to replace all of the roofs on the Property. This project is expected to take several years to complete. The roofs are being replaced in order of physical necessity. The total contract price is \$162,970. Haffey agreed to keep the same rates until December 1, 1999 with an allowance for a 5% increase for cost of materials only. Although the contract has not been renewed, Haffey continues to keep his prices the same.

The contract costs are as follows:

| | | | |
|--------------------|---------|---------------------|---------|
| Small Rubber Roofs | \$760 | Small Shingle Roofs | \$4,790 |
| Large Rubber Roofs | \$1,520 | Large Shingle Roofs | \$8,900 |

To date we have replaced a total of 18 rubber roofs and 7 shingle roofs, which totaled \$68,107.36. That leaves a remaining approximate balance of \$95,000 that we need to set aside in replacement reserves for roof replacements.

The roofs completed are:

| <u>Rubber Roofs</u> | <u>Shingle Roofs</u> |
|----------------------|----------------------|
| 40 Silver Hill | 40 Silver Hill |
| 34 & 36 Silver Hill | 10 Post Oak Lane |
| 1 Silver Hill | 38 Silver Hill |
| 42 & 44 Silver Hill | 50 & 52 Silver Hill |
| 46 & 48 Silver Hill | 34 & 36 Silver Hill |
| 38 Silver Hill | 42 & 44 Silver Hill |
| 3 Silver Hill | 9 & 11 Post Oak Lane |
| 1 Post Oak Lane | |
| 5 Silver Hill | |
| 10 Post Oak Lane | |
| 32 Silver Hill | |
| 50 & 52 Silver Hill | |
| 9 & 11 Post Oak Lane | |

C. Termites

We have addressed this topic for the last two years. We had identified termites in 14 out of 22 buildings. We signed a contract with F&W Pest Control Co. and all 14 buildings have been treated with Sentricon termite elimination system. This method involves installing bait stations around the exterior perimeters of the buildings. The program has a two-year treatment plan whereby the stations are monitored monthly and additional bait stations added where necessary. This method works on eliminating the whole termite colony as opposed to only killing the termites that the chemical reaches in the alternative method of treatment. Just recently, we discovered termites in a 15th building which we also had staked with Sentricon. As of 6/30/00 we had paid a total of \$48,270 for termite treatments. Including this recent addition and the renewal contracts of the other buildings, we have paid an additional \$9,061.00, totaling \$57,331 to date. We have been extremely fortunate to have sufficient funds available to take the appropriate action and did not need to charge a special assessment.

The buildings that are being treated by Sentricon are:

- 7 Silver Hill (Office)
- 5 Silver Hill
- 9 & 11 Silver Hill
- 2-12 Townhouses
- 30 Silver Hill
- 34 & 36 Silver Hill
- 38 Silver Hill
- 14-20 Townhouses
- 32 Silver Hill

40 Silver Hill
50 & 52 Silver Hill
2 & 4 Post Oak Lane
6 & 8 Post Oak Lane
10 Post Oak Lane
42 & 44 Silver Hill

We also had F&W Pest Control recently stake the remaining untreated buildings on the property with balsa wood, which will be checked in the spring to determine if any of them show termite activity.

D. Hallway Carpeting

We bid the replacement of hallway carpet a couple of years ago but held off on its replacement to insure availability of sufficient reserve funds due to the unexpected termite expense. We revisited it again this year and selected Upton Wholesale Carpet to perform the work. We are in the process of replacing the carpeting in all of the buildings. All of Post Oak Lane and 50 & 52 Silver Hill have been completed and they look great! The price of this project will run approximately \$47,900.

E. Beyond day-to-day operations

As most of you know, our maintenance personnel perform most of the necessary common area maintenance work in house, which saves the Association thousands of dollars each year. The record snowfall last year could have resulted in an enormous budget override if outside contractors were hired. In addition, they provide interior maintenance repairs to unit owners as well as make readies of rental turnovers and some condos. listed for sale which generates income to the Association. All of this keeps them very busy. They were still able to manage to crack fill the tennis courts and install new posts, crack fill the parking lots, make numerous repairs to sidewalks and curbs. We also priced a heater for the pool and will take it into consideration. We had been operating with one man short and rather hire another landscaper, we decided to hire an outside landscaping company to mow the lawns which will allow our personnel more time to spend on beautifying the landscaping on the property. We are in the process of installing loam and planting grass where needed.

F. Clubhouse Renovations

We are in the process of renovating the interior of the clubhouse, which had not been updated since it was built in 1982. Although we priced an interior decorator, we found it cost prohibitive and have undertaken the work in-house. We installed tile flooring and new carpeting; replaced glass and installed 3M Scotch Tint on the doors to the pool; purchased new furniture and window treatments and accessories to give it a very attractive face lift. It's still a work in progress but should be completed soon.

VII. Financial Report, Elliot Schwartz, Treasurer

A. Financial Services Contract

In April 2000, we transferred the financial service operations of the Association, namely the collection of condo. fees, payment of bills, monthly and year-to-date financial statements, delinquent collection attempts, etc., from an outside management company to in-house. This saved the Association \$27,120 per year and results of independent audits

have proven that not only was it a wise financial decision, but a prudent business decision resulting in more efficient services and accurate records.

B. Fiscal Year Change

The fiscal year was changed from January 31st to June 30th. This will result in a more current review of the independent auditor's report at our annual meetings.

C. Replacement Reserve Study

The original Replacement Reserve study was completed in 1993. We felt that it was important to have it updated to insure that we maintain a sufficient amount in replacement reserves. A reserve study is performed by an independent company, usually by engineers who determine the major components of a property, their remaining useful lives and the costs needed to repair or replace them. The job was put out to bid and reviewed five proposals. We selected Continental Building Consultants (CBC) who was the company who performed the original study. The cost of the study was \$2,800. CBC recommended that we contribute \$38,021 annually.

D. Maintenance labor rates

As previously mentioned, we offer interior maintenance services to condo. owners. We established an increase in our labor rate from \$15 to \$20 weekdays and from \$25 to \$40 for night and weekend emergency calls. This was the first increase that we had since the program's inception in 1987. Our rates remain far lower than outside contractors. 100% of the income from this program is deposited in the Association's funds.

E. Operating Budget

The Board approved the operating budget for Fiscal Year July 1, 2001 through June 30, 2002 which reflected a 10% increase in condo. fees. This is only the fourth increase in fees in 15 years since the Association's inception in 1987. The factors that contributed to the increase were due to a decrease in lease and make ready income caused by a lower rental turnover due to a strong sales market and investors deciding to sell their condos. In addition, it is extremely important to contribute the designated annual replacement reserve amount as designated in the Reserve study. We want to have the funds on hand when needed and not to have to utilize special assessments. We have only had one special assessment and that was the major undertaking of replacing the exterior siding on the buildings with vinyl siding, which was approved by a majority of 75% of unit owners.

F. Audit for July 1, 2000 - June 30, 2001

As normal business practice, we hired Murphy, Liscombe & Edwards, CPA to perform an audit for the Fiscal Year 7/1/00 - 6/30/01. Copies of the audited financial statement were distributed and reviewed. For those of you who were unable to attend the annual meeting, copies are available upon request at the Natick Green Office.

Balance Sheet
June 30, 2001 and 2000

| | | |
|------------------------------------|------------------|------------------|
| Current Assets: | 2001 | 2000 |
| Cash and Cash Equivalents | \$435,241 | \$407,449 |
| Accounts Receivable - Unit Owners | 8,346 | 5,336 |
| Prepaid Expenses | <u>13,827</u> | <u>16,717</u> |
| Total Current Assets | \$457,414 | \$429,502 |
| Property and Equipment, Net | <u>\$ 92,924</u> | <u>\$109,776</u> |
| Total Assets | \$550,338 | \$539,278 |

Liabilities and Trust Members' Equity

Current Liabilities:

| | | |
|--|---------------|---------------|
| Accrued Expenses and Security Deposit | \$ 33,876 | \$ 32,880 |
| Note Payable - Current Portion | - | 8,043 |
| Assessments and Fees Received in Advance | <u>35,779</u> | <u>44,761</u> |
| Total Current Liabilities | \$ 69,655 | \$ 85,684 |

Trust Members' Equity:

| | | |
|---|----------------|----------------|
| Designated for Future Major Repairs And Replacements | 353,421 | 316,827 |
| Undesignated | <u>127,262</u> | <u>136,767</u> |
| Total Trust Members' Equity | 480,683 | 453,594 |

| | | |
|--|------------------|------------------|
| Total Liabilities and Trust Members' Equity | \$550,338 | \$539,278 |
|--|------------------|------------------|

Statement of Revenues and Expenses
For the Year ended June 30, 2001 and the Five Months ended June 30, 2000

| | | |
|----------------|------------------|-----------------|
| Total Revenues | \$683,267 | \$282,831 |
| Total Expenses | \$611,345 | \$258,637 |
| Depreciation | <u>\$ 19,262</u> | <u>\$ 9,292</u> |
| Net Income | \$ 52,600 | \$ 14,902 |

Elliot explained that although it shows a profit of \$52,600, we still needed to increase condo fees effective 9/01 was due to the designated amount for future major repairs and replacements. The total that operating cash owes to designated cash as of 6/30/2001 was \$65,283. That total represents the amount that needed to be transferred from operating cash to reserves in order to stay on schedule with the Replacement Reserve Study that was completed in 1993 and 2001. We are also going to be spending quite a bit of the designated replacement reserve cash on the major replacements that are underway such as the roof replacements, hallway carpeting, clubhouse renovations, curb repairs, etc. Once again, it is important to rebuild our replacement reserves to insure that the Association has funds available when needed.

VIII. Election of the new Board of Trustees

Bernadette opened the floor for nominations for the election of the next year's Board of Trustees. The following owners were nominated:

Bernadette Drum
Susan Peters
Elliot Schwartz
Evelyn Wilcon
Tracey Goodwin
Samuel Schiller
Jane Donnell
Andrew Boyajian
Jeffrey Schwartz
Rona Donato

IX. Completion of Ballots

The ballots were completed and collected. The counting of the ballots took place later that same evening and the following individuals were elected to serve as a Trustee during the upcoming year:

Bernadette Drum
Susan Peters
Elliot Schwartz
Evelyn Wilcon
Tracey Goodwin
Jeffrey Schwartz
Andrew Boyajian

We thank all unit owners who ran for election and welcome their continued interest and welcome them to come to the regularly scheduled board meetings.

X. Open Discussion

An open question and answer period took place.

XI. Adjournment

Bernadette Drum adjourned the meeting at 9:00 pm

The next Board of Trustees' Meeting is scheduled for Thursday, October 18, 2001 at 6:15pm at the Natick Green Clubhouse. As usual, all unit owners are welcome to attend for observance purposes. If you wish to address the Board regarding a particular matter, kindly submit a written agenda request stating the nature of your business at least ten (10) days in advance of the meeting. This assists the Trustees in planning an organized meeting.